

Message Text

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ORIGIN EUR-12

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TO AMEMBASSY ROME IMMEDIATE

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FOR THE AMBASSADOR

E.O. 11652: N/A

TAGS: MILI, IT, US

SUBJECT: DOCUMENTATION RELEASED BY CHURCH SUBCOMMITTEE
REGARDING LOCKHEED MILITARY AIRCRAFT SALE TO ITALY

1. COPIES OF INTERNAL LOCKHEED COMPANY DOCUMENTS WERE
RELEASED TO THE PRESS ON FEBRUARY 4 BY THE SENATE SUB-
COMMITTEE ON MULTINATIONAL CORPORATIONS, AS BACKGROUND FOR
PUBLIC HEARINGS BEGINNING FEBRUARY 4 AND 6 ON WHAT SENATOR
CHURCH REFERRED TO IN HIS OPENING STATEMENT AS LOCKHEED
Bribes and questionable political payments to facilitate
sales in Europe and Japan.

2. DOCUMENTS INCLUDE 43 PAGES OF MEMORANDA AND CORRESPON-
DENCE DATED FROM 1968 THROUGH 1971 RELATING TO THE SALE OF
FOURTEEN C-130 AIRCRAFT TO ITALY IN 1971, WHICH INVOLVED
LEGAL FEES, PROMOTIONAL AND SPECIAL EXPENSES TOTALLING TWO
MILLION DOLLARS. ONE UNDATED FIVE-PAGE MEMORANDUM REFERS TO
78,000 DOLLARS THAT LOCKHEED RECOGNIZED AS A SPECIAL FEE TO
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BE PAID ON RECEIPT OF THE LETTER OF INTENT, WHICH WAS

SIGNED IN JUNE 1970, QUOTE TO COMPENSATE THE PREVIOUS
MINISTER AND CERTAIN MEMBERS OF HIS TEAM WHO ARE NOW IN THE
MINISTRY AND WILL REVIEW THE CONTRACT. WE HAVE RECENTLY
AGREED TO AN ADDITIONAL PAYMENT FOR SPECIAL COMPENSATION TO
THE MINISTER FOR HIS ACTIVITIES IN CONNECTION WITH THE
PRICE INCREASE THAT WAS NEGOTIATED IN DECEMBER. ORIGINALLY,
THIS WAS TO AMOUNT TO MORE THAN 200,000 DOLLARS BUT AGREEMENT
HAS BEEN REACHED ON A SINGLE PAYMENT OF 50,000 DOLLARS.
UNQUOTE. SAME MEMORANDUM LATER STATES QUOTE PROGRESS MADE
THUS FAR HAS BEEN IN SPITE OF THE BELIEF OF THE DEFENSE
MINISTER THAT LOCKHEED HAS NOT DONE ALL IT COULD TO COMPLETE
THE IMI LOAN. HE IS ALSO SUSPICIOUS THAT PERHAPS
THE REASON FOR OUR LACK OF ACTION IS THAT WE ARE MERELY
WAITING FOR A GOVERNMENT CHANGE SO NO PAYMENT TO HIS PARTY
WILL BE NECESSARY. ACCORDING TO LEFEBVRE THE (BLANK)
CURRENT POSITION IS THAT HE WILL NOT PROCESS THE CONTRACT
FURTHER UNTIL THE SECOND PAYMENT IS MADE TO HIM. HE FEELS
THAT THIS IS HIS LAST REALLY EFFECTIVE PRESSURE POINT, AND
APPARENTLY HE INTENDS TO USE IT. UNQUOTE.

3. MEMORANDUM INCLUDES TABLE SUMMARIZING TOTAL PAYMENTS
OF TWO MILLION DOLLARS IN THREE PHASES. WITH REGARD TO
ITEM OF 1,680,000 DOLLARS PAID AS PROMOTIONAL EXPENSES TO
TEZOREFO, A FOOTNOTE SAYS QUOTE MORE THAN 85 PERCENT OF
THIS IS FOR THE MINISTER'S POLITICAL PARTY UNQUOTE FOLLOWED
BY THE HANDWRITTEN WORDS QUOTE PAST AND PRESENT UNQUOTE.
THE OTHER ITEMS IN THE TABLE ARE SPECIAL EXPENSES TOTALLING
128,000 DOLLARS AS DESCRIBED ABOVE AND 210,000 DOLLARS IN
LEGAL FEES TO LEFEBVRE.

4. THE WORDS MINISTER AND DEFENSE MINISTER WERE TAPED
OVER IN THE EARLY PAGES OF THIS MEMORANDUM, AS RELEASED,
AND THEN OVERWRITTEN IN INK WITH THE SAME WORDS. ON LATER
PAGES WORDS WERE TAPED OUT, OVERWRITTEN AND THEN STRUCK
OUT TO PRODUCE BLANKS. THE MEMORANDUM SAYS LEFEBVRE WAS
WORKING TO GET A DECREE SIGNED BY THE DEFENSE MINISTER BY
THE END OF MARCH; THE INTERNAL EVIDENCE SUGGESTS THAT THE
MEMORANDUM WAS PREPARED EARLY IN 1971. IT CONCLUDES BY REQUESTING
AUTHORITY TO MAKE THE SECOND SLICE OF PROMOTIONAL
PAYMENTS INCLUDING THE 50,000 DOLLARS SPECIAL EXPENSE
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REFERRED TO ABOVE.

5. OTHER DOCUMENTS INCLUDE LETTER OF MARCH 1970 FROM
IKARIA ETABLISSEMENT OF VADUZ TO LEFEBVRE REQUESTING PAYMENT
FOR ITS ASSISTANCE IN FACILITATING C-130 SALE.
LOCKHEED LETTER ONE WEEK LATER AUTHORIZES PAYMENT OF
78,000 DOLLARS TO IKARIA BY LEFEBVRE. A LATER LETTER FROM
LEFEBVRE TO LOCKHEED REFERS TO THIS AMOUNT RECEIVED FROM

LOCKHEED AS QUOTE LUMP SUM PAYMENT FOR EXPENSES MET UP TO DECEMBER 31,1969 UNQUOTE. A NOTATION ON THE LETTER WAS TAPED OUT, WRITTEN OVER, AND THEN STRUCK OUT IN INK BY THE SUBCOMMITTEE AFTER REPRODUCTION BUT BEFORE RELEASE. EIGHT WORDS CAN BE READ UNDER THE SMUDGE BEGINNING WITH QUOTE PAYMENT FOR LOAN UNQUOTE AND ENDING QUOTE DEFENSE MINISTER GUI UNQUOTE.

6. REMAINING DOCUMENTS APPEAR TO BE DEVOID OF REFERENCES TO ANY POLITICAL FIGURES AND DEAL LARGEY WITH RETAINER ARRANGEMENTS WITH ATTORNEY ANTONIO LEFEBVRE D'ovidio, VIA DEL NUOTO 11, ROME; AND WITH TEZOREFO, OR TEMPERATE ZONE RESEARCH FOUNDATION, WITH ADDRESSES AT NEW YORK, PANAMA AND GENEVA, WHOSE CORRESPONDENCE WAS SIGNED BY JOHN HOUSS, ANOTHER NAME TAPED OUT AND WRITTEN BACK IN. WE ARE POUCH-ING DOCUMENTATION. KISSINGER

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TAGS: MILI, IT, US, LOCKHEED
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